



# **STAR BULK**

**CORPORATE PRESENTATION**

OCTOBER 2024

# FORWARD-LOOKING STATEMENTS

This presentation contains certain forward-looking statements. These statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements may include statements concerning the Company's plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts, identified by words such as "believe," "expect," "anticipate," "estimate," "intend," "plan," "targets," "projects," "likely," "will," "would," "could," "should," "may," "forecasts," "potential," "continue," "possible" and similar expressions or phrases. These forward-looking statements are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, examination by the Company's management of historical operating trends, data contained in our records and other data available from third parties. Although the Company believes that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control, the Company cannot assure you that it will achieve or accomplish these expectations, beliefs or projections.

In addition to these important factors, other important factors that, in the Company's view, could cause actual results to differ materially from those discussed in the forward-looking statements include uncertainties as to the consequences of the merger transaction between the Company and Eagle Bulk Shipping Inc. ("Eagle", and such transaction, the "Eagle Merger"); the possibility that costs or difficulties related to the integration of the Company's and Eagle's operations will be greater than expected; the effects of disruption caused by the Eagle Merger making it more difficult to maintain relationships with employees, customers, vendors and other business partners; the possibility that the expected synergies and value creation from the Eagle Merger will not be realized, or will not be realized within the expected time period; general dry bulk shipping market conditions, including fluctuations in charter rates and vessel values; the strength of world economies; the stability of Europe and the Euro; fluctuations in currencies, interest rates and foreign exchange rates; business disruptions due to natural disasters or other disasters outside our control; the length and severity of epidemics and pandemics; changes in supply and demand in the dry bulk shipping industry, including the market for our vessels and the number of newbuildings under construction; the potential for technological innovation in the sector in which we operate and any corresponding reduction in the value of our vessels or the charter income derived therefrom; changes in our expenses, including bunker prices, dry docking, crewing and insurance costs; changes in governmental rules and regulations or actions taken by regulatory authorities; potential liability from pending or future litigation and potential costs due to environmental damage and vessel collisions; our ability to carry out our Environmental, Social and Governance ("ESG") initiatives and thereby meet our ESG goals and targets; new environmental regulations and restrictions, whether at a global level stipulated by the International Maritime Organization, and/or regional/national level imposed by regional authorities such as the European Union or individual countries; potential cyber-attacks which may disrupt our business operations; general domestic and international political conditions or events, including "trade wars", the ongoing conflict between Russia and Ukraine, the conflict between Israel and Hamas and the Houthi attacks in the Red Sea and the Gulf of Aden; potential physical disruption of shipping routes due to accidents, climate-related reasons, political events, public health threats, international hostilities and instability, piracy or acts by terrorists; the availability of financing and refinancing; vessel breakdowns and instances of off-hire; potential conflicts of interest involving our Chief Executive Officer, his family and other members of our senior management; our ability to complete acquisition transactions as and when planned and upon the expected terms; and the impact of port or canal congestion or disruptions.

Please see our filings with the Securities and Exchange Commission for a more complete discussion of these and other risks and uncertainties. The information set forth herein speaks only as of the date hereof, and the Company disclaims any intention or obligation to update any forward-looking statements as a result of developments occurring after the date of this communication.

Certain financial information and data contained in this presentation is unaudited and does not conform to generally accepted accounting principles ("GAAP") or to Securities and Exchange Commission Regulations. We may also from time to time make forward-looking statements in our periodic reports that we will furnish to or file with the Securities and Exchange Commission, in other information sent to our security holders, and in other written materials. We caution that assumptions, expectations, projections, intentions and beliefs about future events may and often do vary from actual results and the differences can be material. This presentation includes certain estimated financial information and forecasts that are not derived in accordance with GAAP. The Company believes that the presentation of these non-GAAP measures provides information that is useful to the Company's shareholders as they indicate the ability of Star Bulk to meet capital expenditures, working capital requirements and other obligations. The estimations of daily Time Charter Equivalent Rates ("TCE rates"), a non-GAAP measure, are provided using the discharge-to-discharge method of accounting, while as per U.S. GAAP, we recognize revenues in our books using the load-to-discharge method of accounting. Both methods recognize the same total TCE revenues over the completion of a voyage, however discharge-to-discharge method recognizes revenues over more days, resulting in lower daily TCE rates. Under the load-to discharge method of accounting, increased ballast days at the end of the quarter will reduce the revenues that can be booked, following the accounting cut-off, in the relevant quarter, resulting in reduced daily TCE rates for the respective period.

We undertake no obligation to publicly update or revise any forward-looking statement contained in this presentation, whether as a result of new information, future events or otherwise, except as required by law. In light of the risks, uncertainties and assumptions, the forward-looking events discussed in this presentation might not occur, and our actual results could differ materially from those anticipated in these forward-looking statements.

# KEY INVESTMENT HIGHLIGHTS

The largest, most liquid US-listed dry bulk company with significant operating leverage to a market with strong fundamentals

## The Largest US-Listed Dry Bulk Company

- Fleet of 159 vessels, on a fully delivered<sup>(1)</sup> basis, with an average age of ~11.4 years
- Significant leverage to strong dry bulk supply fundamentals; enhanced by low overhead and operating expenses
- Largest market capitalization and greatest liquidity among US-listed peers
- Consolidator in the dry bulk industry; Completed the Eagle Bulk merger on April 9<sup>th</sup>

## Fully Integrated Management Platform

- Consistently amongst the lowest OPEX and G&A operators while maintain highest Rightship ranking

## Strong Balance Sheet

- Total cash<sup>(1)</sup> of ~\$474 million and limited capex requirement
- Net debt reduction of ~34% since 2021

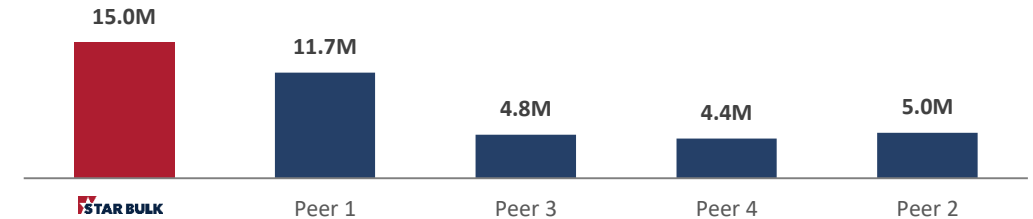
## Shareholder's Friendly Capital Allocation Policy

- Since 2021, dividend distributions were over \$1.25 billion or \$12.2 per share
- Share buybacks are over \$0.4 billion for the same period

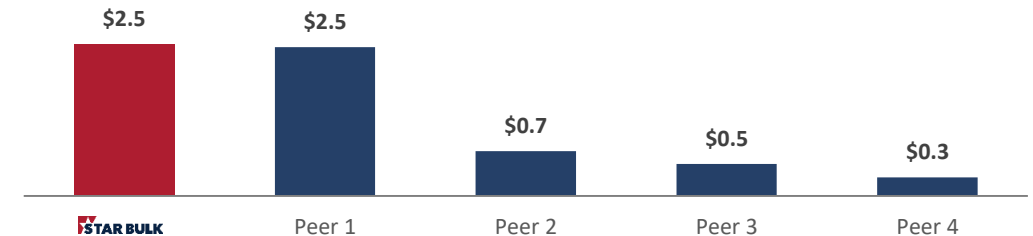
## Favorable Fundamentals

- Fleet growth during 2024-26 is expected to be limited and is unlikely to exceed 3.0% per annum.
- Demand is projected to increase by 2.2% in tons and 4.3% in ton-miles
- ~97% of Star Bulk's fleet is equipped with scrubbers, providing leverage to increasing fuel price spreads and a strong competitive advantage during downturns

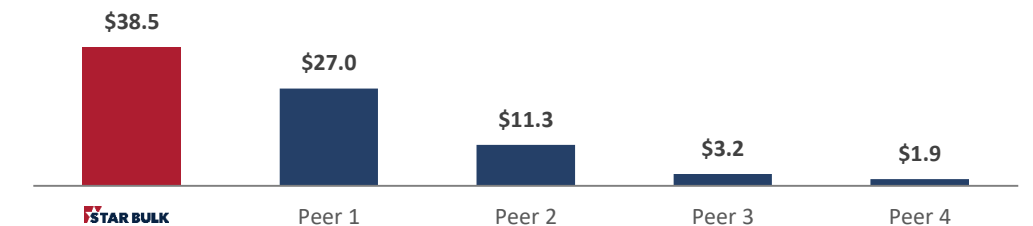
## Fleet Size<sup>(2)</sup> (DWT)



## Market Cap<sup>(2)</sup> (\$ billions)



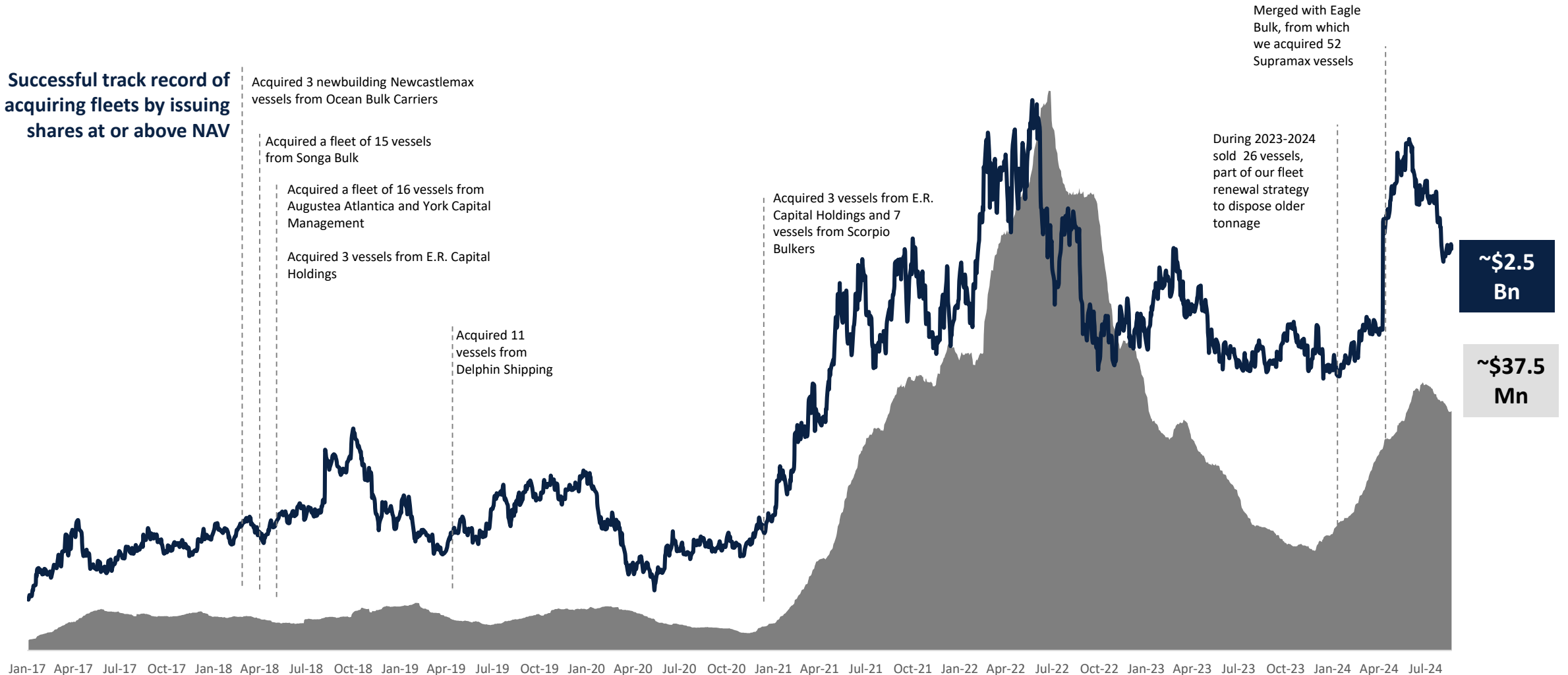
## Trading Liquidity<sup>(2)</sup> (90-day \$ millions)



# BUILDING AN INSTITUTIONAL DRY BULK COMPANY

## Development of fleet, market cap. and trading volume

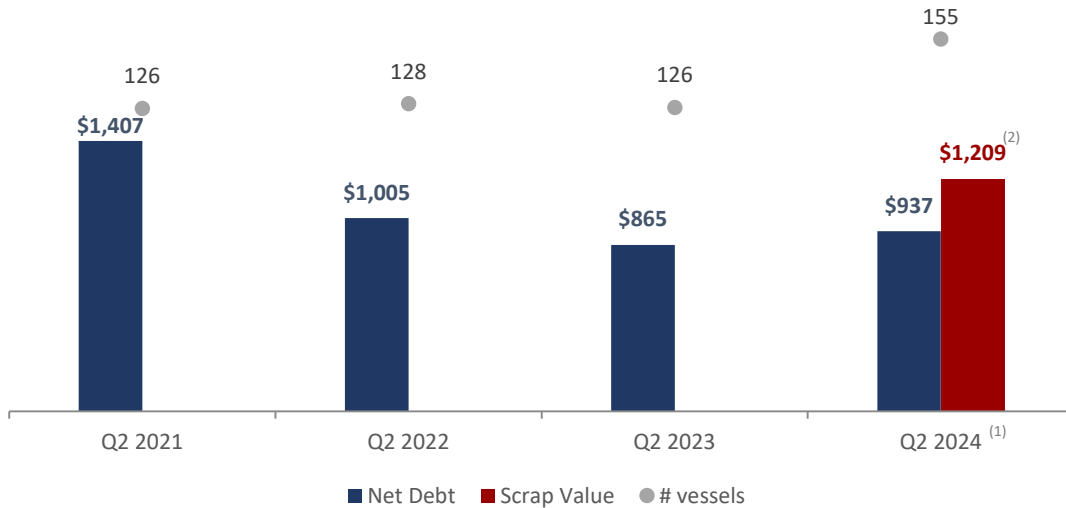
Successful track record of acquiring fleets by issuing shares at or above NAV



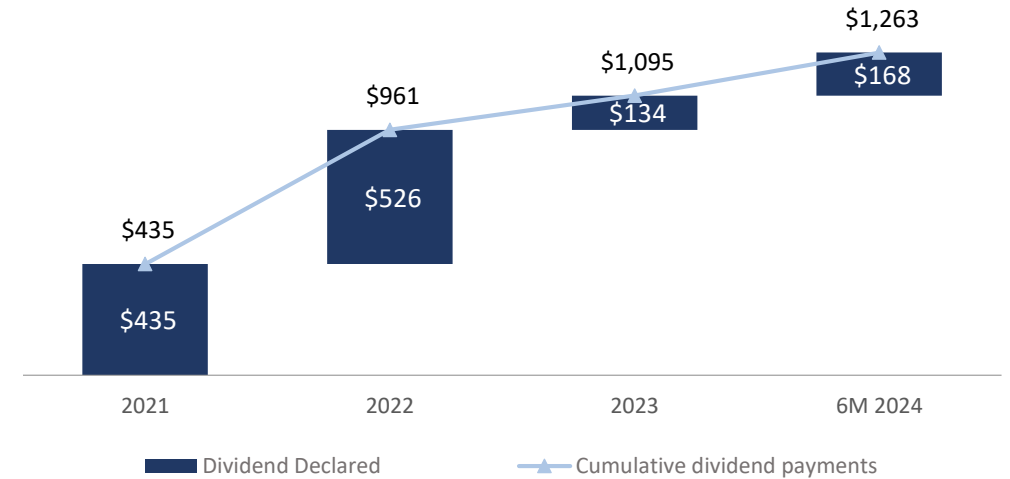
90day Avg. Value (\$) Market Cap.

# CREATING VALUE FOR SHAREHOLDERS

## Net Debt Reduction (in \$million)



## Dividends (in \$million)

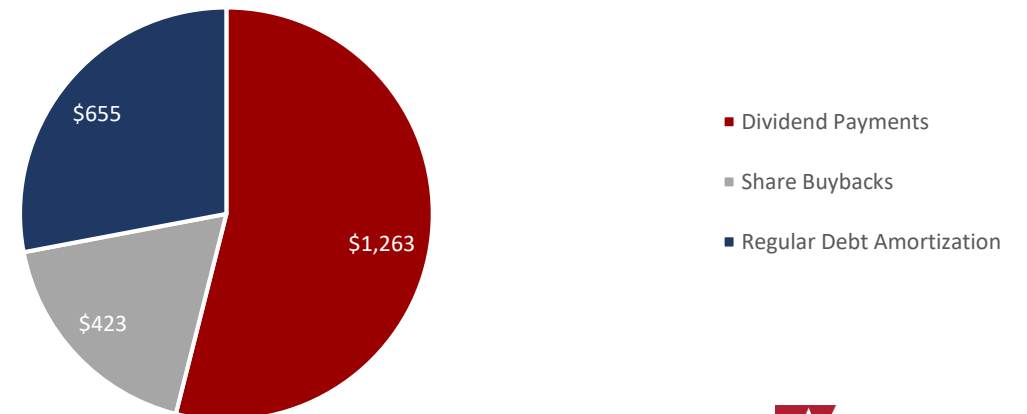


## Capital Allocation & Fleet Growth

- Star Bulk has been creating value for its shareholders through consecutive fleet buyouts by issuing shares at or above NAV.
- Full payout dividend policy resulted in over \$1.25 billion cumulative dividends since 2021
- In addition, since 2022 we have completed share buybacks of \$423 million
- 34% net debt reduction since 2021. Net debt covered entirely by fleet scrap value

## Total Shareholder Value Creation (in \$million)

Total actions of \$2.3 billion in shareholders value creation since 2021



Notes:

(1) Net Debt figure for Q2 2024 excludes Convertible Bond that matured on August 1<sup>st</sup>

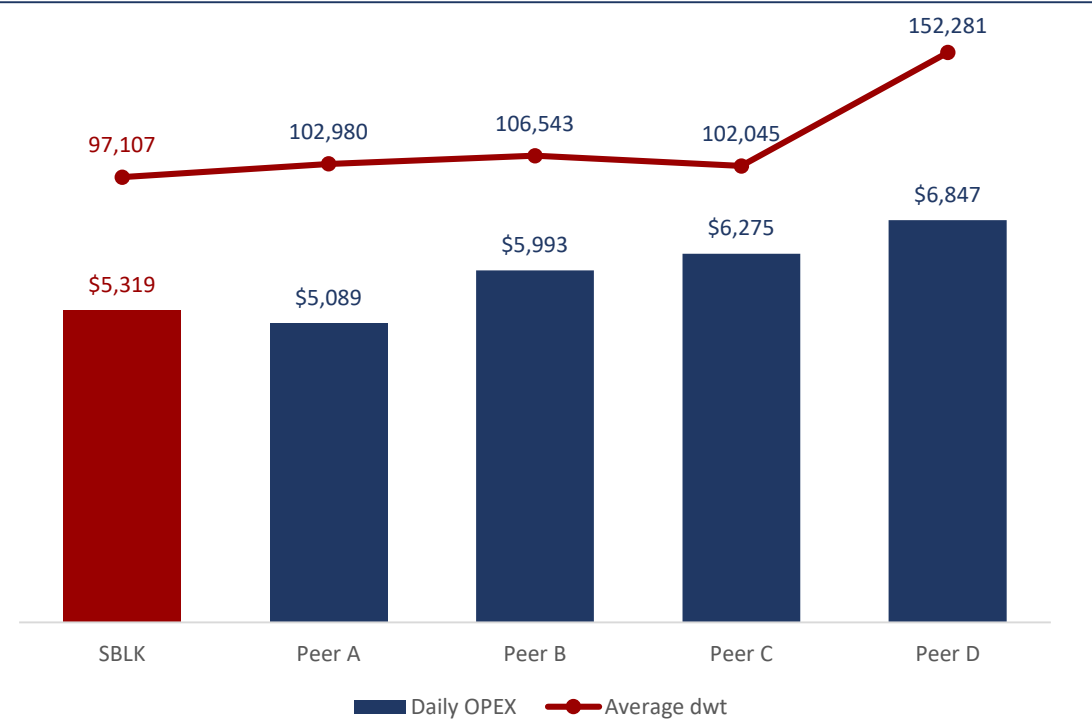
(2) Indicative scrap values for SBLKs fleet (2.4 million lightweight) based on current market scrap prices of \$510/ldt

# CONTINUED OPERATIONAL EXCELLENCE

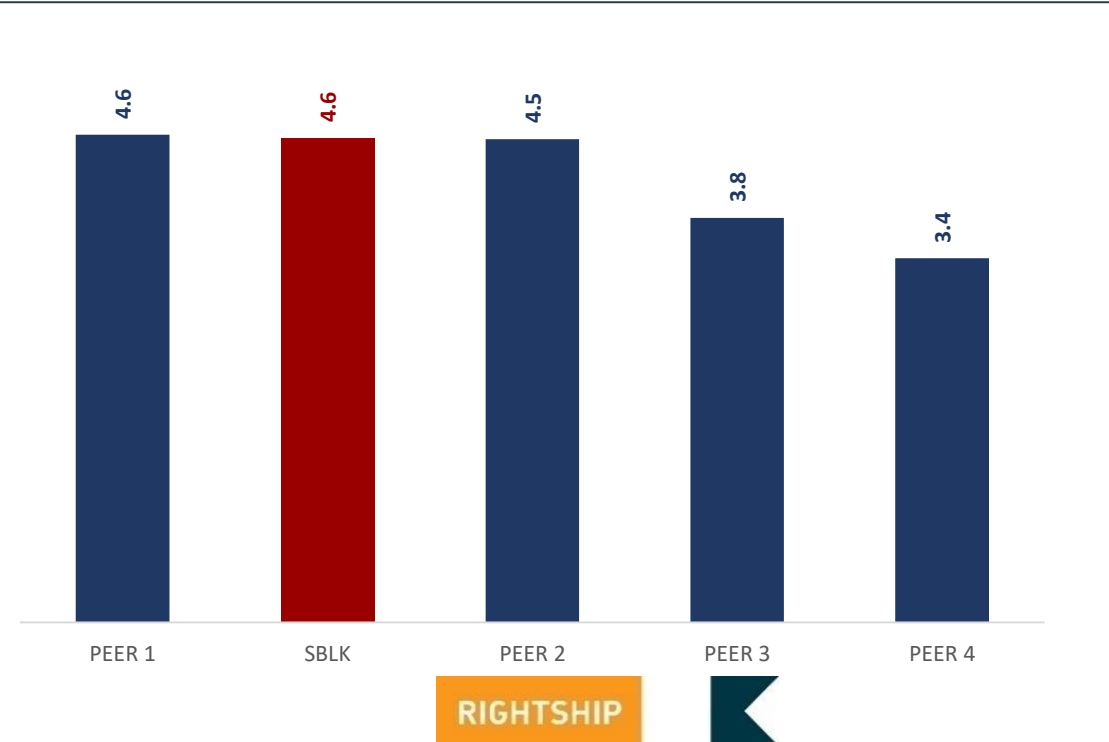
We operate a fleet with one of the lowest average daily OPEX among our peers without compromising quality

- For Q2 2024 vessel OPEX<sup>(1)</sup> were \$5,319 per vessel per day
- Net cash G&A<sup>(2)</sup> expenses per vessel per day were \$1,371 for Q2 2024
- We are consistently in the top 3 dry bulk operators amongst our peer group in Rightship Ratings

Average Daily OPEX<sup>(1)</sup>



Average Rightship risk rating (June 2024)



(1) Figures exclude pre-delivery and COVID -19 related expenses

(2) Excludes share incentive plans, includes management fees

Source: Company filings

# INTEGRATION WITH EAGLE BULK FOCUSES ON SYNERGIES

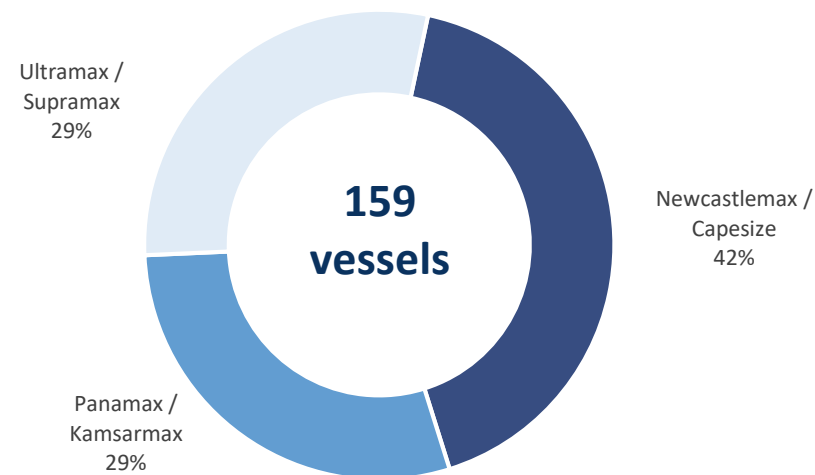
- **Global presence** of combined entity solidified in three different continents:
  - Far East: Singapore offices have merged into one and continue as a commercial and technical management hub aligning ship management practices, covering Asia/ Pacific
  - USA: Stamford office continues operations both for commercial and technical management
  - Europe: Headquarters in Athens and Limassol office complemented with commercial presence in Copenhagen
- **Commercial teams** for the Supramax and Ultramax vessels in the three continents are close to completion of their integration, managing the second largest Supramax and Ultramax fleet globally
- Significant synergies are expected from the centralization of the **Procurement** of all stores, spares parts, bunkers and lubricants for the combined fleet
- **Crewing** management is gradually being taken in-house, with the expected cost reduction of \$600/vessel/day to be realized by Q2 2025
- **Dry docks** of 12 ex-Eagle Bulk vessels have benefited from Star Bulk competitive pricing agreements with service providers and shipyards globally
- Marine Safety Quality and Technical maintenance standards, processes, and policies applied across the combined fleet aligning with the Star Bulk Rightship Safety Score and Port State Control performance
- Commercial, financial, technical, vessels performance **systems are being integrated** to enable efficiencies among the different offices and to create further synergies

# SCALED FLEET WITH SIGNIFICANT OPERATING LEVERAGE

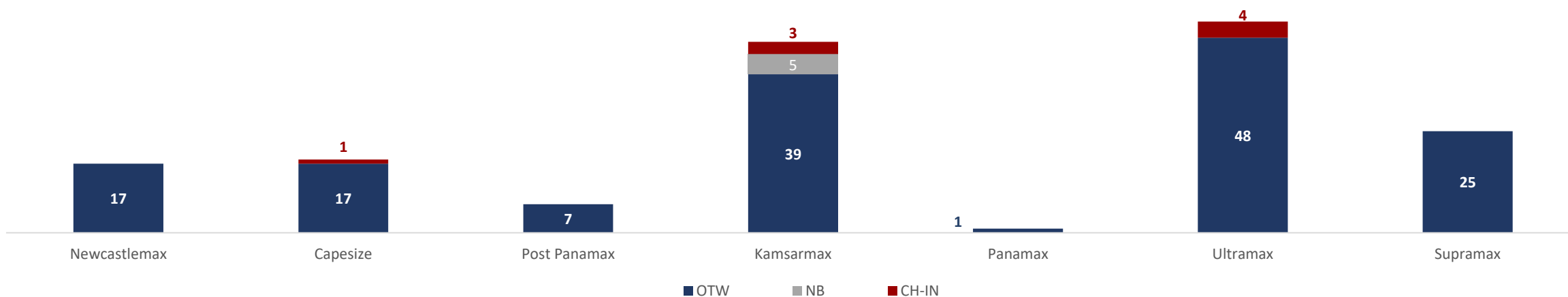
## Fleet Snapshot

- We have five firm shipbuilding contracts with Qingdao Shipyard for the construction of 82k dwt Kamsarmax newbuilding vessels
- Our newbuilding vessels are expected to be delivered in Q4 2025, Q2 and Q3 2026
- During 2024, we have agreed to sell ten vessels for total gross proceeds of \$180 million with an average age of 15.1 years
- We have in total eight long term charter-in contracts plus two newbuilding charter-in contracts to be delivered in H2 2024
- CAPEX for vessel upgrades focused on sustainable shipping and compliance with emissions regulations

## Fleet composition based on dwt



## Fleet Breakdown (by # vessels)





# A SOLID AND TRANSPARENT ESG STRATEGY

## The Star Bulk vision

### To be the global leader in sustainable dry bulk shipping

- Committed to the United Nations Global Compact, endorsing its Ten Principles on human rights, labor, environment, and anti-corruption
- Contributing to the advancement of the United Nations Sustainable Development Goals



United Nations  
Global Compact



## Our ESG Performance

### Environment

- Ensuring timely and efficient compliance with environmental regulations
- Tracking and disclosing the company's GHG emissions throughout the entire value chain
- Establishing Science-Based Targets to outline the pathway toward the reduction of carbon footprint
- Collaborating with our partners on initiatives such as the Poseidon Principles and the Sea Cargo Charter



POSEIDON  
PRINCIPLES



SEA CARGO  
CHARTER



Getting to Zero  
Coalition



GLOBAL  
MARITIME  
FORUM

### Society

- Strong retention rates for both onboard and shore-based employees
- Top rankings in the RightShip Safety Score among dry bulk operators globally
- Commitment to the wellbeing and professional development of our employees
- Investments in community initiatives, including charity, education, and sports
- Inclusion of female cadets in our vessel crews



### Governance

- A robust, independent Board of Directors consisting of seasoned shipping experts
- Comprehensive risk management practices, including strong cybersecurity measures
- Performance management directly tied to compensation and benefits
- An ESG Committee established at the Board of Directors level
- Annual ESG reporting, participation in the Carbon Disclosure Project

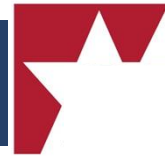


## Our Decarbonization Strategy

### To lead by example in the industry's efforts towards a net zero future:

- Renewing the Star Bulk fleet
- Monitoring and transparent reporting of emissions
- Improving the energy efficiency of our fleet
- Participating in R&D for new technologies and alternative fuels
- Developing partnerships and participating in alliances

# MARKET UPDATE



# MARKET OVERVIEW

Fleet growth will be limited, while demand for dry bulk commodities will continue to grow at a healthy pace

## Demand Outlook

### Strong demand growth throughout 2024

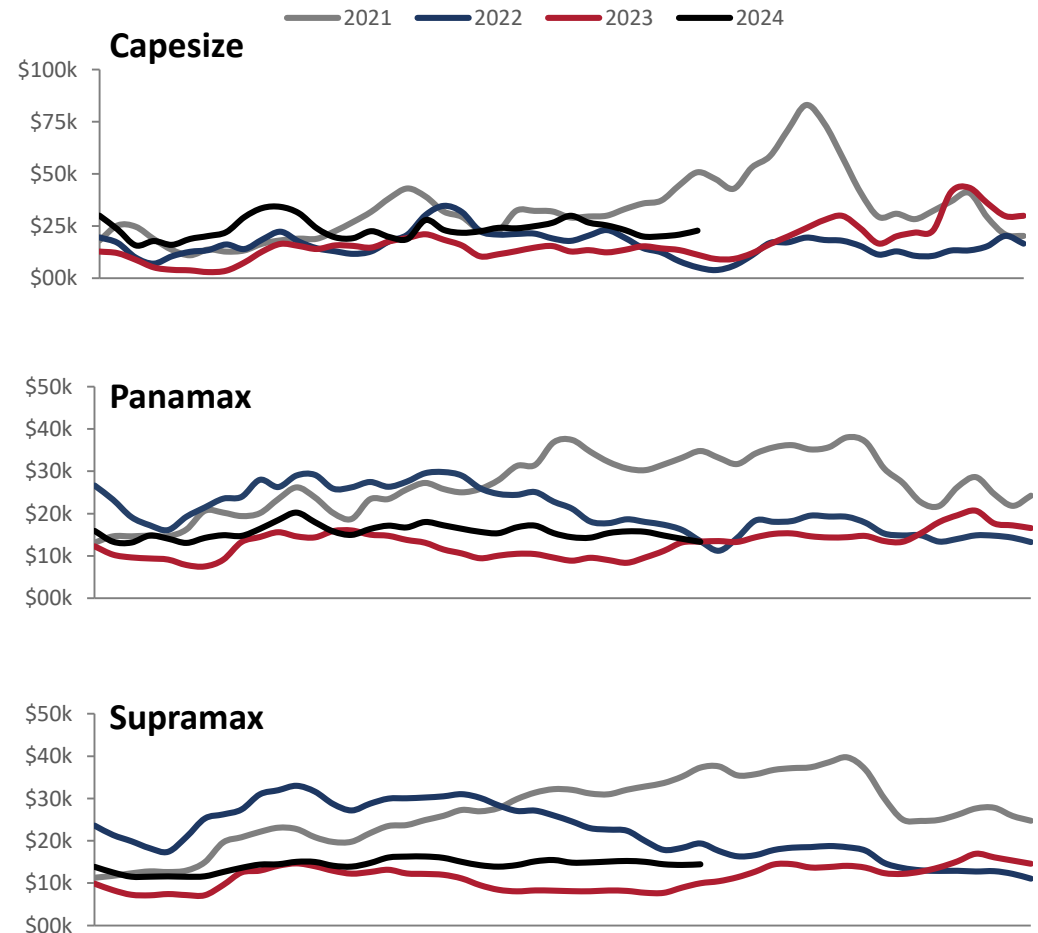
- Demand is projected to increase by 2.2% in tons and 4.3% in ton-miles. Ton-miles are increasing at a faster pace, as Panama canal restrictions and rising tension in the Red Sea forced transits on both canals to drop substantially and reroute.
- Chinese imports increased by 7.5% in H124 despite the struggling property market and the weak macro sentiment, as demand for dry bulk commodities remains high supported by strength in infrastructure, manufacturing and exports.
- Imports from the rest of the world are experiencing a strong recovery over the last quarters that is expected to continue, as it receives support from lower commodity prices and expectations of easing monetary policy.
- Strong ton mile generation from A) Argentina and Ukraine grain recovery B) Brazil iron ore C) Guinea Bauxite D) Colombia & US coal and E) Geopolitical inefficiencies

## Supply Outlook

### Favorable supply dynamics

- Fleet growth during 2024-26 is expected to be limited and is unlikely to exceed 3.0% per annum.
- Global dry bulk newbuilding orderbook has slightly increased during the last two years, but still stand at a comparatively low levels of 9.7% of the fleet.
- Shipyard capacity covered until late 2026 with more profitable and sophisticated vessel types, increased shipbuilding costs and future green propulsion uncertainty keeping new orders under control
- Increased bunker costs and new emissions regulations (EEXI/CII) to continuously incentivize slow steaming and retrofits and limit effective capacity.
- Red sea tension continue to cause strong inefficiencies for trade.

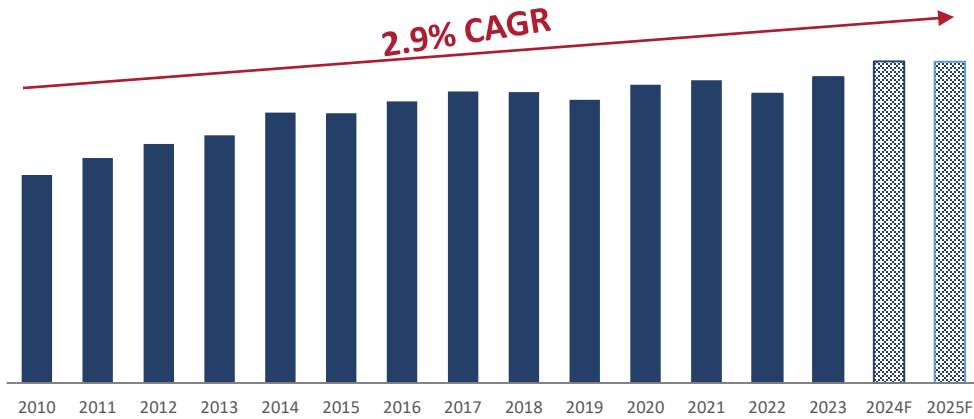
## Weekly Rates by Segments



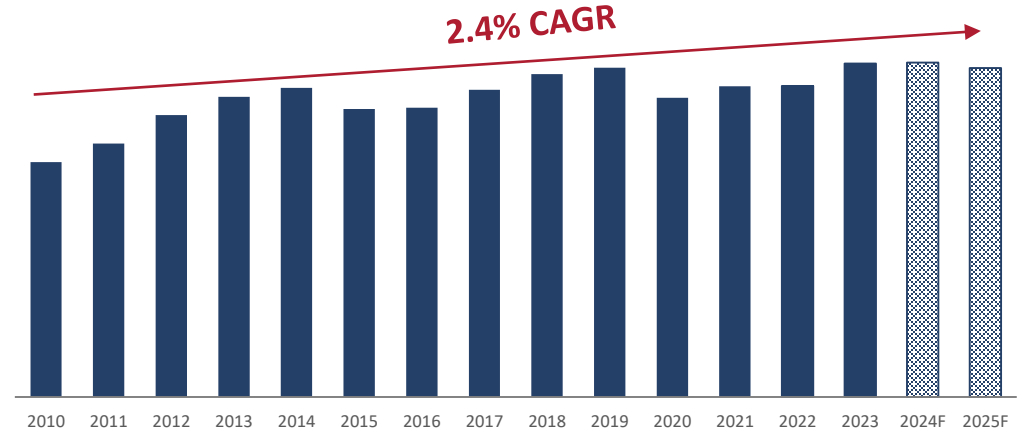
# DEMAND TO REMAIN HEALTHY ACROSS ALL DRY COMMODITIES

Healthy ton miles growth is expected across all dry bulk commodity groups supported by trade recovery and the rerouting of vessels away from the Red Sea.

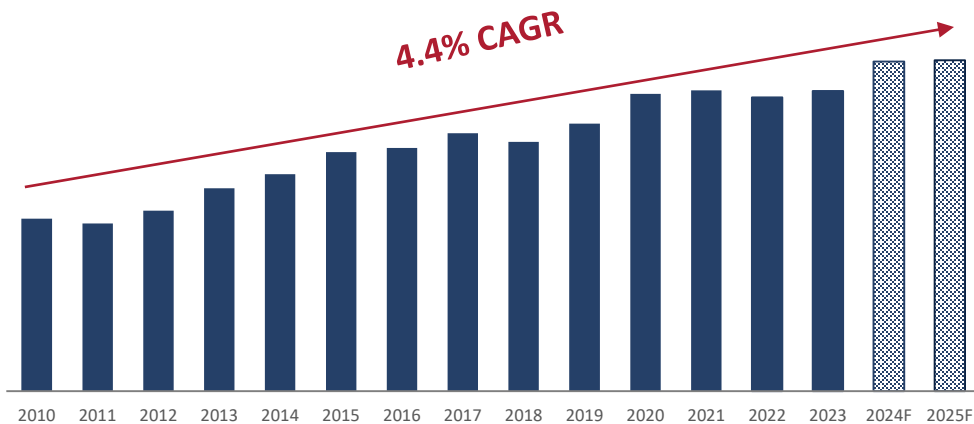
**Iron Ore Trade (bn ton miles)**



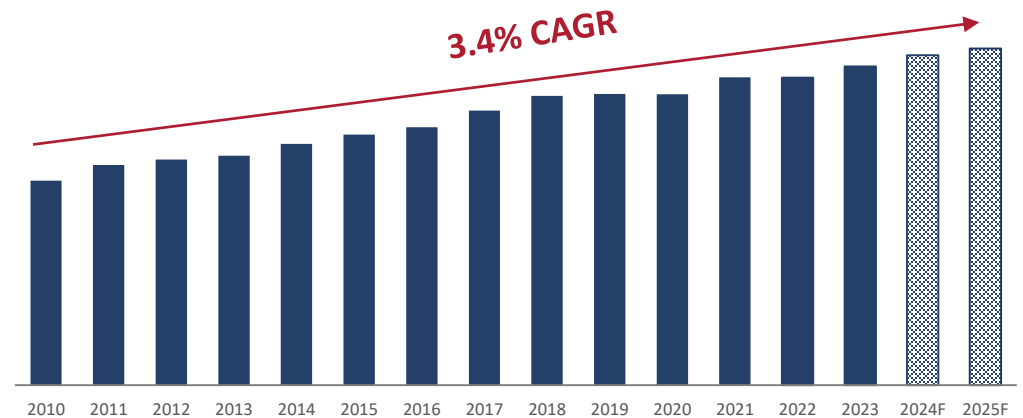
**Coal Trade (bn ton miles)**



**Grain Trade (bn ton miles)**



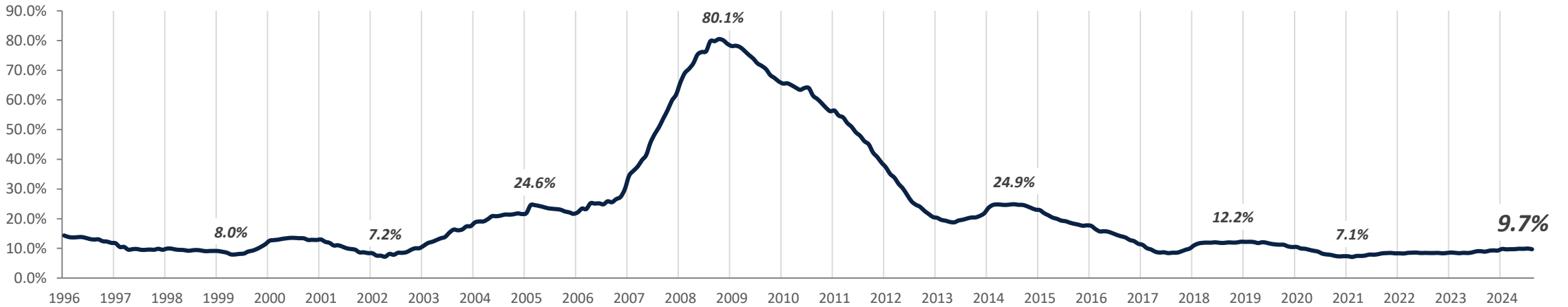
**Minor Bulks Trade (bn ton miles)**



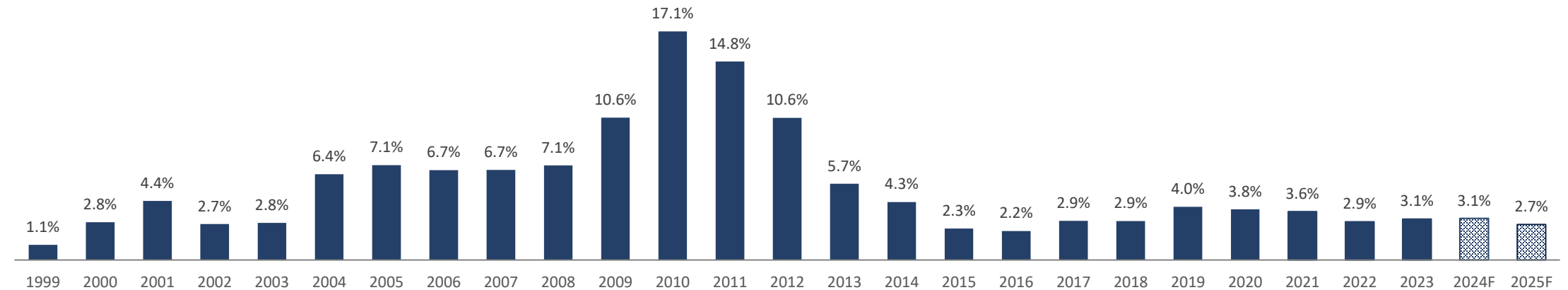
# FAVORABLE ORDERBOOK

Fleet growth will remain at relatively low levels over the next years, which is expected to support a tight market and elevated freight rates

## Orderbook as % of Existing Fleet



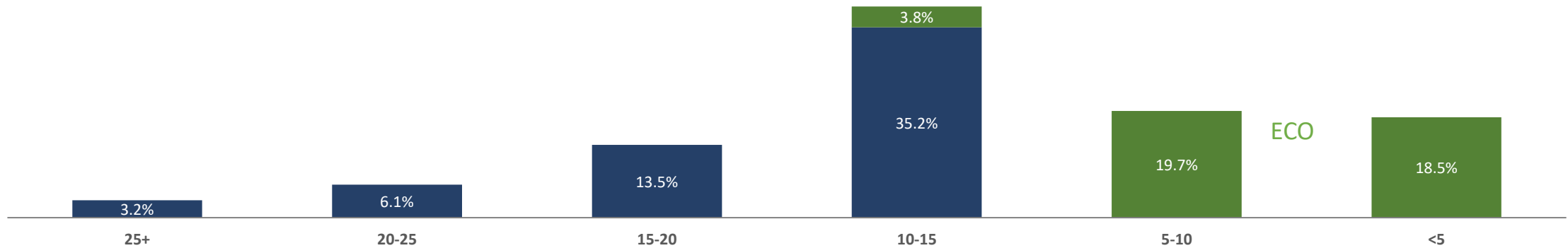
## Annual Fleet Growth as % of Existing Fleet



# EFFECTIVE FLEET CAPACITY MAY BE FURTHER REDUCED

A large portion of the dry bulk fleet is not fuel efficient, and the only way to decrease fuel consumption and emissions without incurring Capex is to reduce sailing speeds

## Dry Bulk Fleet Age Distribution (DWT)



## Avg. Dry Bulker Sailing Speed (knots)



# THANK YOU

## Contacts

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